

State of Rhode Island and Providence Plantations
Public Utilities Commission

Minutes of Open Meeting Held May 25, 2006

Attendees: Chairman Elia Germani, Commissioner Robert Holbrook, Commissioner Mary Bray, Steve Frias, Thomas Massaro, Alan Nault and Luly Massaro.

Chairman Germani called the open meeting to order at 2:00 P.M. in the first-floor hearing room of the Public Utilities Commission.

Minutes of Open Meetings held on May 11, 2006 - After review, Chairman Germani moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. Vote 3-0.

Competitive Telecommunications Service Providers

The following companies filed an application for authority to operate as a telecommunication service provider. The Division has reviewed their application and recommends approval of:

2262(M20) – USD CLEC, Inc.

2262(K20) – Digizip.com, Inc.

After review, Chairman Germani entertained a motion to approve the application. Commissioner Bray seconded the motion and the motion was unanimously passed. Vote 3-0.

The following companies submitted tariff revisions. The Division has reviewed the tariff filings and does not recommend suspension of:

2618 – AT&T Communications (tariff filings 5/1, 5/3, 5/15 & 5/18/06)

2426 – TCG Rhode Island (tariff filings 5/3, 5/18 & 5/19/06)

2535 – Cox RI Telcom (tariff filings 4/27 & 5/2/06)

2486 – MCImetro Access Transmission Services (tariff filings 4/27 & 5/10/06)

2621 – MCI Communications Services, Inc. (tariff filings 4/28 & 5/12/06)

3663 – Budget Phone, Inc. (tariff filing 5/12/06)

3059 – Broadview Networks, Inc. (tariff filing 5/8/06)

3713 – Comtel Telcom Assets LP (tariff filing 5/12/06)

3666 – UCN, Inc. (tariff filing 4/27/06)

3698 – Pac-West Telecomm, Inc. (tariff filing 5/5/06)

3036 – CTC Communications Corp. (tariff filings 5/9 & 5/17/06)

2262(I20) – Alltel Holding Corporate Services, Inc. (tariff filing 4/28/06)

2262(L4) – TTI National, Inc. (tariff filing 5/3/06)

2262(P7) – MCI Communications Services, Inc. (tariff filing 5/2/06)

2262(M1) – Talk America, Inc. (tariff filing 4/25/06)

2262(D5) – ITC DeltaCom Communications, Inc. (tariff filing 5/10/06)

2262(E2) – Teleconnect Long Distance, Inc. (tariff filing 5/3/06)

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

The following company requested that its authority to operate be rescinded:

2262(L10) – Paetec Communications

After review, Chairman Germani entertained a motion to rescind the authority of PaeTec Communications. Commissioner Bray seconded the motion and the motion was unanimously passed. Vote 3-0.

3745 - Verizon Rhode Island – Verizon submitted a tariff filing to revise wording to allow for the relocation of Digital Centrex Plus Service to another Telephone Company under certain conditions for effect June 10, 2006. After review, the Commission unanimously agreed to follow the Division’s recommendation to allow the tariff filing to go into effect without suspension.

3569 – New England Gas Co. (NEGas) – NEGas submitted a tariff filing to amend the existing RIPUC No. 101, Optional Credit Card Provision. This tariff was approved by the Commission last December. Due to problems with the third-party vendor, New England Gas had not yet started offering this optional service and now seeks to increase the transaction fees for two reasons. The reasons are 1) the existing per transaction fee was based on the estimation of the average customer bill as projected at that time and since that time, the estimation of the average customer bill has increased due to rising costs, and therefore, requiring an adjustment to the per-transaction fee; and 2) third party vendors costs have increased as a result of credit card companies increasing their fees.

After review, Chairman Germani moved to approve the Company's filing. Commissioner Bray seconded the motion. While Rules and Regulations Governing the Acceptance of Credit Cards by Utilities are in place, Commissioner Holbrook is concerned with the concept of passing through such costs to the customer. He dissented. Vote 2-1.

3731 – Rules and Regulations Establishing Minimum Efficiency Standards for Certain New Products Sold in Rhode Island – The State's Energy Office worked in conjunction with the Commission to propose new regulations. A supplemental notice was published for further comments. The Commission reviewed and incorporated joint comments received from interest groups, RI Interest Research Group, Appliance Standards Awareness Project and the Northeast Energy Efficiency Partnership. After review, Chairman Germani entertained a motion to adopt new Rules and Regulations Establishing Minimum Efficiency Standards for Certain New Products Sold in Rhode Island and Commissioner Bray moved to adopt the rules. Commissioner Holbrook seconded the motion. Vote 3-0.

3675 – City of Newport Water Utilities – In Report and Order No. 18580, the Commission required Newport Water to file monthly and quarterly financial reports until such time a Financial Officer was retained. The Commission will then evaluate whether the reporting requirements should be maintained. The Commission has been made aware that a Financial Officer was hired. The Commission has considered the situation and unanimously agreed that Newport Water

continue with the current reporting requirements and Newport Water is further required to file monthly trial balance reports. Vote 3-0.

3707 – Narragansett Bay Commission (NBC) – The Commission reviewed the Settlement Agreement entered between NBC and the Division resolving issued on the pending rate application. After review, the following motions were made:

- Chairman Germani entertained a motion to modify and reduce the Settlement amount by approximately \$248,746 to reflect a 10% co-share on health insurance by all NBC's employees. Commissioner Holbrook seconded the motion and the motion was unanimously passed. Vote 3-0. NBC has until June 2, 2006 to reply whether it accepts this modification to the Settlement.**

- Commissioner Holbrook moved to discontinue funding for the "Special Master". Commissioner Bray seconded the motion. The motion also allowed the maintenance of \$150,000 in the funding for a "Special Master" while flowing back to debt service/capital the excess amount. Commissioner Bray seconded the motion. Chairman Germani dissented. Vote 2-1.**

The open meeting adjourned at 2:35 P.M.